



State of Utah  
Department of Commerce  
Division of Public Utilities

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## ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Brenda Salter, Technical Consultant

Date: August 20, 2014

Re: **Demand-side management report pursuant to Commission order in Docket No. 09-035-T08**

Docket No. 14-035-102

## RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) acknowledge the Utah DSM tariff rider balancing account analysis filed by Rocky Mountain Power (Company) as being in compliance with the Commission Order of August 25, 2009 in Docket No. 09-035-T08 approving the Phase I stipulation.

## ISSUE

In Compliance with the Commission Order of August 25, 2009 in Docket No. 09-035-T08, on July 21, 2014 the Company filed the Utah DSM tariff rider balancing account analysis. On July 29, 2014 the Commission issued an Action Request to the Division to review for compliance and make recommendations on the Company's filing by August 20, 2014. Subsequent to the Commission's Action Request the Company filed on July 30, 2014 a revised Attachment A with the corrected AFUDC rate for 2015. Also filed on July 30, 2014 was the Commission's Notice of Filing and Comment Period requesting interested parties to file comments by August 20, 2014

with reply comments due on September 3, 2014. This memorandum is in response to the Commission's Action Request.

## **DISCUSSION**

On August 25, 2009, the Commission issued an Order approving the Phase I Stipulation in Docket No. 09-035-T08. The Phase I Stipulation required the Company to file semi-annually an analysis and forecast of the balancing account similar to that provided by the Company in Advice No. 09-08. In compliance with the above Order, on July 30, 2014, the Company filed the revised Utah DSM tariff rider balancing account analysis including the 2014 and 2015 forecast years. The report shows that, based on the Company's projections of the revenues and expenses of the Demand-Side tariff rider, the account balance will result in the under-collection of approximately \$7.4 million by December 2014. Although the projected under-collection balance for December 2014 is \$7.4 million, the actual June 2014 ending balance is under-collected by approximately \$12.2 million.

On April, 24, 2014 the Company provided the Division with a copy of the Monthly DSM Balancing Account detailing the first quarter program costs. The Division noted an increase in program costs and asked the Company to explain the reason for the account straying so far from the November 1, 2013 forecast. The Company stated that it experienced unexpected costs related to two programs. Increased costs resulted from a slower start/delayed invoicing of the Cool Keeper Program along with growing interest in lighting in the Home Energy Savings Program. Based on the semi-annual filing Program costs are continuing to outpace the rate recovery with an approximate \$10 million increase in the under-collected balance in the 2<sup>nd</sup> quarter.

On July 30, 2014 the DSM Steering Committee met via teleconference to discuss the under-collected balance along with other outstanding DSM issues. The Company acknowledges that there is an issue with the DSM account balance but would like to postpone a possible rate change until after the proposed changes to the Residential Refrigerator Recycling and Home Energy Savings Programs, filed with the Commission but not included in the semi-annual forecast, have been finalized. The Company has indicated that it will have a better idea of what impact the

changes will have on the Program and be able to determine if the rate of recovery is appropriate or if an adjustment needs to be requested in the November 1, 2014 forecast filing.

**CONCLUSION**

Based on its review of the Company's filing, the Division concludes that the Company's Utah DSM tariff rider balancing account analysis complies with the Commission Order of August 25, 2009 in Docket No. 09-035-T08 approving the Phase I stipulation. The Division recommends acknowledgement of the filing.

CC Kathryn Hymas, Rocky Mountain Power  
Dave Taylor, Rocky Mountain Power  
Michele Beck, Office of Consumer Services  
Service List